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32790-0200

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tmi@tminc.com



0000037626

ORIGINAL

Arizona Corporation Commission  
Docket No. U-3342-97-129

February 10, 2000

Via Overnight Delivery

FEB 14 2000

FEB 14 1 42 PM '00

DOCUMENT CONTROL

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

DOCKET NO. **U-3342A-97-0129**

Re: **UPDATED REGISTRATION FORM**  
**Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a**  
**Network Services of New Hope**  
~~Docket No. U-3342-97-129~~

Dear Sir/Madam:

Enclosed for filing are the original and ten (10) copies of the *Updated Registration Form, Amended Application* and *Current Tariff* filed on behalf of Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope.

The company filed its initial application in March 1997 under the name Tel-Save, Inc. d/b/a The Phone Company. The company started providing service upon filing its initial application and has maintained a current tariff with the Arizona Corporation Commission by regularly filing revisions. On July 19, 1999, the company filed a name change, changing its name from Tel-Save, Inc. d/b/a The Phone Company to Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope.

The company wishes to have its application processed and is filing the enclosed information in response to the January 18, 2000 request by the Arizona Corporation Commission staff.

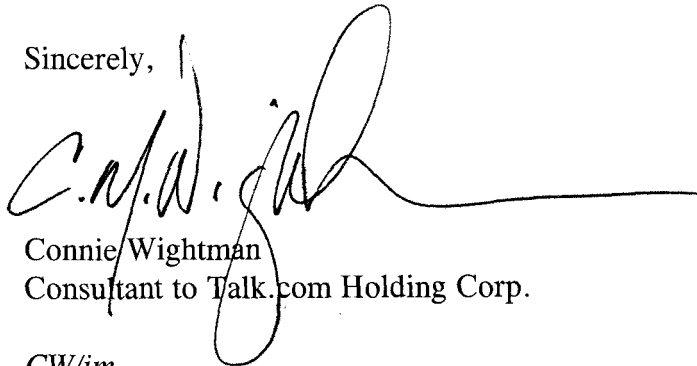
Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it in the self-addressed, stamped envelope enclosed for this purpose.

February 10, 2000  
Docket Control Center  
Arizona Corporation Commission  
Page 2

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Questions regarding this filing may be directed to my attention at (407) 740-8575.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Wightman', followed by a long horizontal line extending to the right.

Connie Wightman  
Consultant to Talk.com Holding Corp.

*CW/im*

*Enclosures*

cc: David A. Motycka, Ass't Dir. Utilities Division, ACC  
cc: Tina Tecce  
File Talk.com - AZ  
TMS: AZI0001

(Please check the paragraphs that apply to the company's situation)

(407) 740-8575  
Phone number of person completing form

**FORM A**

**ARIZONA CORPORATION COMMISSION**

**Amended Application and Petition for Certificate of Convenience and Necessity to Provide  
Intrastate Telecommunication Services as a Long Distance Reseller**

Mail original plus 10 copies of completed application to:

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

For Docket Control Only:  
(Please Stamp Here)

If you have current applications pending in Arizona as  
an Interexchange reseller, AOS provider, or as the  
provider of other telecommunication services.

Type of Service: \_\_\_\_\_

Docket No. \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Type of Service: \_\_\_\_\_

Docket No. \_\_\_\_\_

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

**A. Company and Telecommunications Service Information**

**(A-1) The name, address, and telephone number (including area code) of the  
applicant(company):**

Talk.com Holding Corp. d/b/a The Phone Company and also  
d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, Pennsylvania 18938  
Telephone: (215) 862-6813  
Facsimile: (215) 862-1515  
Toll Free: (888) 825-5265

**(A-2) If doing business (dba) under a name other than the applicant (company) name listed  
above, specify:**  
Not applicable

**(A-3) The name, address, telephone number, facsimile number and E-Mail address of the  
management contact:**

Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp. d/b/a The Phone Company and also  
d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, Pennsylvania 18938  
Telephone: (215) 862-6813  
Facsimile: (215) 862-1515  
tecce@aol.com

**(A-4) The name, address, telephone number, facsimile number and EMail address of the Attorney, if any, representing the applicant:**

Connie Wightman, Consultant to Talk.com  
Technologies Management, Inc.  
210 North Park Avenue  
Winter Park, FL 32789  
Telephone: (407) 740-8575  
Facsimile: (407) 740-0613  
E-Mail: cwrightman@tminc.com

**(A-5) What type of legal entity is the applicant?**

- ☐ Sole proprietorship  
☐ Partnership: \_\_\_\_\_ limited, \_\_\_\_\_ general, \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign  
☐ Limited liability company  
☒ Corporation: \_\_\_\_\_ S, \_\_\_\_\_ C, \_\_\_\_\_ non-profit, \_\_\_\_\_ Arizona, ☒ Foreign  
☐ Other, specify:

**(A-6) Include Attachment A. Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.**

**(A-7) 1. Is your company currently reselling telecommunication services in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona.**

Yes. Upon filing of the initial application on March 11, 1997, the company started providing service under the name of Tel-Save, Inc. d/b/a The Phone Company.

- 2. If the answer to 1. is yes, identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data is available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators.**

The Company offers direct dial, toll free, travel card and casual calling services.

- 3. If the answer to 1. is no, when does your company plan to begin reselling service in Arizona?**

The company began reselling service shortly after it filed its initial application in March of 1997.

- (A-8) Include Attachment B. Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "illustrative Tariff/Price List Example attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R14-2-1109(B)(2)). See Rule R14-2-1110 for procedures to make price list changes that result in rates that are higher than the tariff rate.

- (A-9) The geographic market to be served is:

Statewide

- (A-10) List the states in which you currently resell services similar to those you intend to resell in Arizona.

Talk.com Holding Corp. is certificated nationwide with the exception of Alaska.

- (A-11) Provide the name, address, and telephone number of the companies complaint contact person.

Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp. d/b/a The Phone Company and also  
d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, Pennsylvania 18938  
Telephone: (215) 862-6813  
Facsimile: (215) 862-1515  
Toll Free: (888) 825-5265

- (A-12) Provide a list of states in which you have sought authority to resell telecommunications services and in which the state granted the authority with major changes and conditions or did not grant your application for those services. For each state listed, provide a copy of the Commission's decision modifying or denying your application for authority to provide telecommunications services.

Talk.com Holding Corp. is certificated to provide service in all states with the exception of Alaska.

- (A-13) Has the company been granted authority to provide or resell telecommunications services in any state where subsequently the authority was revoked? If yes, provide copies of the State Regulatory Commission's decision revoking its authority.

Not applicable

**(A-14) Has the company been or is the company currently involved in any formal complaint proceedings before any State or Federal Regulatory Commission? If yes, in which states is the company involved in proceedings and what is the substance of these complaints. Also, provide copies of Commission orders that have resolved any of these complaints**

No

**(A-15) Has the applicant been involved in any civil or criminal investigations related to the delivery of telecommunications services within the last five years? If yes, in which states has the applicant been involved in investigations and why is the applicant being investigated?**

No

**(A-16) Has the applicant had judgment entered against it in any civil matter or been convicted of criminal acts related to the delivery of telecommunications services within the last five years? If yes, list the states where judgment or conviction was entered and provide a copy of the court order.**

No

## **B. Technical Information**

**(B-1) If your company is a switchless reseller, provide the name of the company or companies whose services you resell and skip to question (B-2). If you are not a switchless reseller, complete the remainder of this section.**

**Include Attachment C. Attachment C should provide the following information: A diagram of the applicant's basic call network used to complete Arizona intrastate telecommunications traffic. This diagram should show how a typical call is routed in both its originating and terminating ends (i.e. show the access network and call completion network).**

**Also include on the diagram the carrier(s) used for each major network component and indicate if the carrier is facilities-based or not. If the carrier is not facilities-based, indicate who owns the facilities (within the State of Arizona) that are used to originate and terminate the applicant's intrastate telecommunications traffic (i.e. provide a list of the Arizona facilities-based long distance carriers whose facilities are used to complete the applicant's intrastate traffic).**

**(B-2) Will your customers be able to access alternative toll service providers or resellers via 1+ or 101XXXX access, if your system becomes non-operational?**

Yes. The applicant's CIC Code is 101 6746.

### **C. Financial Information**

**(C-1) Include Attachment D. Attachment D must include a copy of your Companies balance sheet, income statement, audit report (if audited) and all related notes to these financial statements for the two most recent years your Company has been in business.**

**(C-2) If your Company does not have financial statements for the two most recent years, please give the date your Company began operations.**

See Attachment D

**(C-3) If the balance sheets you submit do not have retained earnings accounts, please provide this account information on a separate sheet for each of the two years.**

**(C-4) If your Company is a subsidiary, please provide your Parent Companies financial statements, in addition to your Companies financial statements.**

Not applicable

**(C-5) If your Company intends to rely on the financial resources of its Parent Company, please provide a written statement from your Parent Company attesting that it will provide complete financial backing if your Company experiences a net loss or a business failure and that it will guarantee re-payment of customers; advances, prepayments or deposits held by your Company if, for some reason, your Company cannot provide service or repay the deposits.**

**(C-6) Will your customers be required to (or have the option to) pay advances, prepayments, or deposits for any of your products or services.**

YES \_\_\_\_ (If yes, provide an explanation of how and when these customer advances prepayments or deposits will be applied or reference the terms and conditions section of your Companies tariffs with this explanation. If this information is not explained in the tariff of this application, please provide it on a separate sheet.)

NO   X   (Note: If at a later date, your Company decides it wants to offer or require customer advances, prepayments or deposits, it must submit financial statements as part of the tariff amendment process.)



**TALK.COM HOLDING CORP.**

Attachment A

Company Officers



**Officers of Talk.com Holding Corp. as of 11-29-99**

**Gabriel Battista**                      **Chief Executive Officer/President**  
Business: 12020 Sunrise Valley Dr, Reston VA 20191  
Home: 12428 Bacall Lane, Potomac, MD 20854

**Aloysius T. Lawn, IV**                      **Secretary**  
Business: 6805 Route 202, New Hope, PA 18938  
Home: 1409 Bramble Lane, West Chester PA 19380

**Edward Meyercord**                      **Chief Financial Officer & Treasurer**  
Business: 6805 Route 202, New Hope, PA 18938  
Home: 415 Ridgeview Road, Princeton, NJ 08540

**Michael Ferzacca**                      **Vice President**  
Business: 12020 Sunrise Valley Dr, Reston VA 20191  
Home: 13561 Stonebarn Lane, Gaith MD 20878

**Janet Kirschner**                      **Controller**  
Business: 6805 Route 202, New Hope, PA 18938  
Home: 709 Kimberly Drive, Morrestown NJ 08057

**Directors of Talk.com Holding Corp. as of 11-29-99**

**Gabriel Battista**                      **Chairman of the Board**  
Business: 12020 Sunrise Valley Dr, Reston VA 20191  
Home: 12428 Bacall Lane, Potomac, MD 20854

**Aloysius T. Lawn, IV**  
Business: 6805 Route 202, New Hope, PA 18938  
Home: 1409 Bramble Lane, West Chester PA 19380

**Michael Ferzacca**  
Business: 12020 Sunrise Valley Dr, Reston VA 20191  
Home: 13561 Stonebarn Lane, Gaith MD 20878

EXPEDITED  
AZ CORP. COMMISSION  
DELIVERED

FILED BY Lorin Sues  
TERM \_\_\_\_\_  
DATE 6/21/99  
corporation \_\_\_\_\_  
F-0049351-6

DATE 6/21/99  
Corporation F-0049351-6

CF: 0024  
Rev: 9/97

- 5.a. The street address of the known place of business of the foreign corporation in Arizona IF DIFFERENT from the street address of the statutory agent is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Annual Report and general correspondence should be mailed to the address specified above in section 4 \_\_\_\_\_ or 5a \_\_\_\_\_.

6. The purpose of the corporation is to engage in any and all lawful business in which corporations may engage in the state, province or country under whose law the foreign corporation is incorporated, with the following limitations, if any: (If none, so state.)

none

7. The names and usual business addresses of the current directors and officers of the foreign corporation are:

(Attach additional sheets if necessary.)

See attached list of

directors and officers

\_\_\_\_\_ [title]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [title]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [title]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ [title]

\_\_\_\_\_

\_\_\_\_\_

8. The foreign corporation is authorized to issue 5,000 shares, itemized as follows:

(Attach additional sheets if necessary.)

Common

5,000

shares of (No series)

[class or series] stock at

no par value or par value of \$ 1.00 per share.

\_\_\_\_\_ shares of \_\_\_\_\_ [class or series] stock at

no par value or par value of \$ \_\_\_\_\_ per share.

\_\_\_\_\_ shares of \_\_\_\_\_ [class or series] stock at

9. The foreign corporation has issued 1,950 shares, itemized as follows:

(Attach additional sheets if necessary.)

Common  
1,950 shares of (No series) [class or series] stock at

no par value or par value of \$ 1.00 per share.

shares of [class or series] stock at

no par value or par value of \$ per share.

shares of [class or series] stock at

no par value or par value of \$ per share.

10. The character of business the foreign corporation initially intends to conduct in Arizona is:

Telecommunications Management Firm

This application is accompanied by:

A Certificate of Disclosure containing the information set forth in Arizona Revised Statutes Section 10-202.D.

A certified copy of our articles of incorporation, all amendments (AZ Const. Art. XIV, § 8) and a certificate of existence or document of similar import duly authenticated by the official having custody of corporate records in the state, province or country under whose laws we are incorporated (A.R.S. § 10-1503.B).

The filing fee(s) (U.S.) made payable to the Arizona Corporation Commission.

DATED this 27 day of May, 1999.

Talk.com Holding Corp.

[Name of Corporation]

Executed By

Gabriel Battista

Gabriel Battista, President

[print name]

[title]

PHONE \_\_\_\_\_ FAX \_\_\_\_\_  
[optional] [optional]

#### ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

The undersigned hereby acknowledges and accepts the appointment as statutory agent of this corporation effective this 18th day of June, 1999

KORRI A. BEHLER  
Special Assistant Secretary

Korri A Behler  
Signature

C T Corporation System

Appendix to Arizona  
Application for Authority to Transact Business in Arizona

**Directors and Officers of**  
**Talk.com Holding Corp.**

---

1. George Farley, CFO  
6805 Route 202  
New Hope, Pennsylvania 18938
2. Aloysius T. Lawn IV, Secretary and Director  
6805 Route 202  
New Hope, Pennsylvania 18938
3. Gabriel Battista, President and Director  
6805 Route 202  
New Hope, Pennsylvania 18938
4. Emanuel DeMaio, Director  
6805 Route 202  
New Hope, Pennsylvania 18938
5. Michael Ferzacca, Treasurer and Director  
6805 Route 202  
New Hope, Pennsylvania 18938
6. Kevin Kelly, Controller  
6805 Route 202  
New Hope, Pennsylvania 18938

ARIZONA CORPORATION COMMISSION  
CORPORATIONS DIVISION

Phoenix Address: 1300 West Washington  
Phoenix, Arizona 85007-2929

Tucson Address: 400 West Congress  
Tucson, Arizona 85701-1347

**CERTIFICATE OF DISCLOSURE**  
**A.R.S. § 10-202.D**

Talk.com Holding Corp.

EXACT CORPORATE NAME

CHECK APPROPRIATE BOX (A or B)

ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

A. No persons serving either by elections or appointment as officers, directors, trustees, incorporators and persons controlling or holding over 10% of the  
☒ issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:

1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraint of trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate wherein such injunction, judgment, decree or permanent order:
  - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
  - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
  - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

B. For any person or persons who have been or are subject to one or more of the statements in Items A. 1 through A.3 above, the following  
☐ information MUST be attached:

1. Full name, prior name(s) and aliases, if used.
2. Full birth name.
3. Present home address.
4. Prior addresses (for immediate preceding 7-year period).
5. Date and location of birth.
6. Social Security number.
7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

C. Has any person serving as an officer, director, trustee or incorporator of the corporation served in any such capacity or held or controlled over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in any corporation which has been placed in bankruptcy, receivership or had its charter revoked, or administratively or judicially dissolved by any state or jurisdiction?

Yes \_\_\_\_\_ No X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name (including aliases) and address of each person involved.
3. State(s) in which the corporation:
  - (a) Was incorporated.
  - (b) Has transacted business.
4. Dates of corporate operation.
5. Date and case number of Bankruptcy or date of revocation/administrative dissolution.

D. The fiscal year end adopted by the corporation is December 31

Under penalties of law, the undersigned incorporator(s)/officer(s) declare (s) that I (we) have examined this Certificate, including any attachments, and to the best of my (our) knowledge and belief it is true, correct, and complete. THE SIGNATURE(S) MUST BE DATED WITHIN THIRTY (30) DAYS OF THE DELIVERY DATE.

BY [Signature] BY \_\_\_\_\_

PRINT NAME Gabriel Battista PRINT NAME \_\_\_\_\_

TITLE President DATE 5/27/99 TITLE \_\_\_\_\_ DATE \_\_\_\_\_

DOMESTIC CORPORATIONS: ALL INCORPORATORS MUST SIGN THE INITIAL CERTIFICATE OF DISCLOSURE. If within sixty days, any person becomes an officer, director, trustee or person controlling or holding over 10% of the issued and outstanding shares or 10% of any other proprietary, beneficial, or membership interest in the corporation and the person was not included in this disclosure, the corporation must file an AMENDED certificate signed by at least one duly authorized officer of the corporation.

FOREIGN CORPORATIONS: MUST BE SIGNED BY AT LEAST ONE DULY AUTHORIZED OFFICER OF THE CORPORATION.

CARL J. KUNASEK  
CHAIRMAN

JIM IRVIN  
COMMISSIONER

RENZ JENNINGS  
COMMISSIONER



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL  
EXECUTIVE SECRETARY

JOANNE C. MACDONNELL  
DIRECTOR, CORPORATIONS DIVISION

June 22, 1999

Re: Talk.com Holding Corp.

This letter concerns the document checked below which was filed on June 21, 1999

- ( ) Articles of Amendment
- ( ) Articles of Restatement
- ( ) Articles of Merger
- ( X ) Application for New Authority
- ( ) Statement of Intent to Dissolve (nonprofit)
- ( ) Share Exchange

This document must be published within sixty (60) days after the above-referenced filing date in a newspaper of general circulation in the county in which you are doing business in Arizona for three (3) consecutive publications. An affidavit evidencing the publication must be filed with the Commission within ninety (90) days of the date of filing.

Sincerely,

Sonia Greer  
Examiner  
Corporations Division  
(602) 542-3135  
1-800-345-5819 Arizona Only



**TALK.COM HOLDING CORP.**

Attachment B

Proposed Tariff

TARIFF SCHEDULES  
APPLICABLE TO  
INTEREXCHANGE TELECOMMUNICATIONS  
NAMING  
RATES, RULES AND REGULATIONS  
GOVERNING OPERATIONS  
OF

**Talk.com Holding Corp.**  
**d/b/a**  
**The Phone Company**  
**and also d/b/a**  
**Network Services of New Hope**

6805 Route 202  
New Hope, PA 18938  
Phone: 215-862-1500  
Toll Free: 800-728-3288

---

Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
and also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

AZI0001

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**CHECK SHEET**

Sheets of this tariff indicated below are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

<b>SHEET</b>	<b>REVISION LEVEL</b>	<b>SHEET</b>	<b>REVISION LEVEL</b>
1	Original *	26	Original *
2	Original *	27	Original *
3	Original *	28	Original *
4	Original *	29	Original *
5	Original *	30	Original *
6	Original *	31	Original *
7	Original *	32	Original *
8	Original *	33	Original *
9	Original *		
10	Original *		
11	Original *		
12	Original *		
12.1	Original *		
13	Original *		
14	Original *		
15	Original *		
16	Original *		
17	Original *		
18	Original *		
19	Original *		
20	Original *		
21	Original *		
22	Original *		
23	Original *		
24	Original *		
25	Original *		

\* - indicates those pages included with this filing

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Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
and also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

AZI0001

**OTHER CARRIERS**

None

**CONCURRING CARRIERS**

None

**CONNECTING CARRIERS**

None

**OTHER PARTICIPATING CARRIERS**

None

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Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
and also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

*AZI0001*

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Check Sheet .....	1
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SECTION 3 - Description of Service and Rates .....	19
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Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
and also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

AZI0001

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**SYMBOLS**

The following are the only symbols used for the purposes indicated below:

**D** - Delete or discontinue.

**I** - Change Resulting in an increase to a Customer's bill.

**M** - Moved from another tariff location.

**N** - New

**R** - Change resulting in a reduction to a Customer's bill.

**T** - Change in text or regulation but no change in rate.

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Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
and also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

AZI0001

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**APPLICATION OF TARIFF**

This tariff contains the regulations and rates applicable to the provision of intrastate resale common carrier communications service by Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope in the State of Arizona.

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Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
and also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

AZI0001

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**TARIFF FORMAT**

- A. Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i).
  - 2.1.1.A.1.(a).I.(i).(1).
- D. Check Sheets** - When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some sheets.)

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Issued: February 11, 2000

Effective:

Issued By: Tina Tecce, Regulatory Affairs Manager  
Talk.com Holding Corp.d/b/a The Phone Company  
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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement which connects the Subscriber's or Customer's location to the Carrier's designated point of presence or network switching center.

**Account Codes** - Optional, customer defined digits that allow the customer to identify the individual user, department, or client associated with a call.

**Authorized User** - A person, firm or corporation, or any other entity authorized by the Customer or Subscriber to communicate utilizing the Company's services.

**Business Line Termination** - For use with inbound service only. Incoming calls are routed directly to the Customer's existing local exchange line. No dedicated access terminations are required.

**Carrier or Company** - Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope unless otherwise indicated by the context.

**Commission** - The Arizona Corporation Commission.

**Customer or End-User** - The person, firm or corporation, or other entity which orders, cancels, amends, or uses service and is responsible for the payment of charges and/or compliance with tariff regulations.

**Customer Premises Equipment** - Terminal equipment, as defined herein, which is located on the Customer's premises.

**Dedicated Access** - See Special Access.

**Equal Access** - The ability of the Carrier to serve End Users on a presubscribed basis rather than through the use of dial access codes.

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, (CONT'D.)**

**LEC** - Local Exchange Company

**Premises** - A building or buildings on contiguous property.

**Special Access Origination** - Where originating access between the Customer and the interexchange carrier is provided via a dedicated circuit. The cost of the dedicated circuit is billed by the access provider directly to the end-user.

**Subscriber** - The person, firm, corporation, or other legal entity which arranges for services of the Company on behalf of itself or Authorized Users. The Subscriber is responsible for compliance with the terms and conditions of this tariff. A Subscriber may also be a Customer when the Subscriber uses services of the Company.

**Switched Access** - Where access between the Customer and the Carrier is provided on switched Feature Group circuits. The cost of Switched Access is billed to the Carrier.

**Talk.com** - Used throughout this tariff to refer to Talk.com Holding Corp. d/b/a The Phone Company and also d/b/a Network Services of New Hope unless otherwise indicated by the text.

**Terminal Equipment** - Devices, apparatus, and associated wiring, such as teleprinters, telephones, or data sets.

**Travel Card** - A proprietary calling card offered by the Company which enables the Customer to use the Company's service by dialing a Company-provided access number.

**V & H Coordinates** - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage is used for the purposed of rating calls.

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**SECTION 2 - RULES AND REGULATIONS**

**2.1 Undertaking of Talk.com**

Talk.com is a resale common carrier providing intrastate telecommunications services within the State of Arizona.

Service is provided twenty-four (24) hours per day, seven (7) days a week.

**2.2 Limitations**

**2.2.1** Service is offered subject to the availability of the necessary facilities and equipment, or both facilities and equipment, and subject to the provisions of this tariff.

**2.2.2** Talk.com reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Customer is using service in violation of provisions of this tariff, or in violation of the law.

**2.2.3** All facilities provided under this tariff are directly or indirectly controlled by Talk.com and the Customer may not transfer or assign the use of service or facilities without the prior express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

**2.2.4** Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

**2.3 Use**

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.4 Liabilities of Company**

- 2.4.1** The liability of the Company for its willful misconduct or gross negligence which is the sole legal cause of damage or injury is not limited by this tariff. With respect to any other claim or suit, by a Customer or by any others, for damages associated with acts or omissions involving initiation, installation, provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, the Company's liability, if any, is limited to 1/30 of the monthly charge for service affected for each 24-hour period during which such failure of service occurs and is reported to or known by the Company. For services for which no monthly charge applies, the Company's liability, if any, is limited to an amount equal to the charges applicable to the initial period charge for re-establishing a connection.
- 2.4.2** In no event will Company be responsible for consequential damages or lost profits suffered by Customer on account of interrupted or unsatisfactory service unless Company is found to have been willfully negligent.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.4 Liabilities of Company, (cont'd.)**

**2.4.3** The Company is not liable for any act or omission of any other company or companies furnishing a portion of the service.

**2.4.4** The Company shall be indemnified and held harmless by the Customer against:

- a. Claims for libel, slander, infringement of copyright or unauthorized use of any trade mark, trade name or service mark arising out of the material, data, information, or other content transmitted by the Customer over the Company's facilities; and
- b. Claims for patent infringement arising from combining or connecting the Company's facilities with apparatus and systems of the Customer; and
- c. All other claims arising out of any act or omission of the Customer in connection with any service provided by the Company.

**2.4.5** The Company will make no refund of overpayments by a Customer unless the claim for such overpayment together with proper evidence be submitted within one (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.7 Taxes and Fees**

- 2.7.1** All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff.
- 2.7.2** To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.
- 2.7.3** The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs.

**A. Public Pay Telephone Surcharge**

In order to recover the Company's expenses to comply with the FCC's pay telephone compensation plan effective on October 7, 1997 (FCC 97-371), an undiscountable per call charge is applicable to all interstate, intrastate and international calls that originate from any domestic pay telephone used to access the Company's services. The Public Pay Telephone Surcharge, which is in addition to standard tariffed usage charges and any applicable service charges and surcharges associated with the Company's service, applies for the use of the instrument used to access the Company service and is unrelated to the Company's service accessed from the pay telephone.

Pay telephones include coin-operated and coinless phones owned by local telephone companies, independent companies and other interexchange carriers. The Public Pay Telephone Surcharge applies to the initial completed call and any reoriginated call (i.e., using the "#" symbol).

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.7 Taxes and Fees, Cont'd.**

**A. Public Pay Telephone Surcharge, cont'd.**

Whenever possible, the Public Pay Telephone Surcharge will appear on the same invoice containing the usage charges for the surcharged call. In cases where proper pay telephone coding digits are not transmitted to the Company prior to completion of a call, the Public Pay Telephone Surcharge may be billed on a subsequent invoice after the Company has obtained information from a carrier that the originating station is an eligible pay telephone.

The Public Pay Telephone Surcharge does not apply to calls placed from pay telephones at which the Customer pays for service by inserting coins during the progress of the call.

Rate per Call, maximum	\$0.30
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**B. Universal Service Fund**

A monthly Universal Service Fund charge will be added to each bill based upon the total intrastate billed revenues. This charge shall in no event exceed the amount of the Arizona Corporation Commission assessment levied upon the Company.

**2.6 Terminal Equipment**

The Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or Customer-provided communications systems, such as a telephone set, PBX or key system. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. The Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry as endorsed by the Federal Communications Commission.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.7 Installation**

No installation is required to use the Company's service. Service is initiated by request of the Customer. The Company may refuse to provision service when the Company cannot verify that the party requesting the Company's service is not authorized to make the change.

**2.8 Payment for Service**

**2.8.1** The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by Talk.com Holding Corp. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent (such as a local exchange telephone company). Any objections to billed charges must be reported to the Company or its billing agent within six months after receipt of bill. Adjustments to the Customer's bill shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

**2.8.2** In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owed to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred, including a collection fee on the unpaid charges accruing at a rate of one-and-one half percent (1.5%) per month. Collection fees on unpaid charges shall begin to accrue when the account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company.

**2.8.3** The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.9 Deposits**

The Company does not require deposits of Customers.

**2.10 Advance Payments**

The Company does not require advance payments of Customers.

**2.11 Cancellation by Customer**

Customer may cancel service by providing thirty days notice.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.12 Refusal or Discontinuance by Company**

Without incurring liability, the Carrier may immediately discontinue or cancel service: Service may be disconnected without advance written notice under the following conditions:

- a) the existence of an obvious hazard to the safety or health of the consumer of the general population or the Company's personnel or facilities;
- b) the Company has evidence of tampering or the evidence of fraud.

Service may be disconnected provided that the Company has provided five days' written notice as established by the AZ C.C. under the following conditions:

- a) Customer violation of any of the utility's tariffs filed with the Commission and/or violation of the Commission's rules and regulations.
- b) Failure of the Customer to pay a bill for service.
- c) Failure to meet or maintain the Company's credit and deposit requirements (if any).
- d) Failure of the Customer to provide the utility reasonable access to its equipment and property.
- e) Customer breach of contract for service between the Company and Customer
- f) When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.13 Interconnection**

Service furnished by Talk.com may be connected with the services or facilities of other carriers. Such service or facilities, if used, are provided under the terms, rates and conditions of the other carrier. The Customer is responsible for all charges billed by other carriers for use in connection with Talk.com's service.

**2.14 Inspection, Testing and Adjustment**

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for tests and adjustments as may be deemed necessary by the Company for maintenance.

**2.15 Tests, Pilots, Promotional Campaigns and Contests**

The Company may conduct special tests, pilot programs, waivers and promotions to demonstrate the ease of use, quality of service and to promote the sale of its services.

**2.16 Reservation of Toll Free "800/888" Numbers**

The Company will make every effort to reserve Toll Free "800/888" vanity numbers for customers, but makes no guarantee or warranty that the requested number(s) will be available.

**2.17 Portability of Toll Free "800/888" Numbers**

The Company will participate in porting Toll Free "800/888" numbers only if the account balance is zero and all charges incurred as a result of the Toll Free "800/888" number have been paid.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**

**2.18 Complaint Procedures**

Customer complaints and inquiries regarding their bills may be directed to the toll-free number provided by the billing agent on the bill. In addition, inquiries and complaints may also be directed to:

Customer Service Department  
Talk.com Holding Corp. d/b/a The Phone Company and  
also d/b/a Network Services of New Hope  
6805 Route 202  
New Hope, PA 18938

(800) 728-3288

If not satisfied with the Company's response, customers may contact:

Consumer Service Section  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007  
(602) 542-4251

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

**3.1 General**

Service is offered to residential or business customers and is available from equal access originating end offices only.

**3.2 Timing of Calls**

**3.2.1** Long distance usage charges are based on the actual usage of Talk.com's network. Chargeable time begins when a connection is established between the calling station and the called station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

**3.2.2** Minimum call duration and rounding of calls for measurement and billing purposes is specified for each product in this tariff.

**3.2.3** Except for charges that use a special access line, when a call is established in one rate period and ends in another rate period, the rate in effect at the calling station applies to the portion of the call occurring within that rate period. When a unit of time is split between two rate periods, the rate applicable to that unit of time is based on the rate period in which it began.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.3 Calculation of Distance**

Usage charges for all mileage sensitive products are based on the airline distance between the Rate Centers associated with the originating and terminating points of the call.

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the Rate Centers as defined by BellCore (Bell Communications Research), in the following manner:

- Step 1 - Obtain the "V" and "H" coordinates for the Rate Center of the originating and the destination points.
- Step 2 - Obtain the difference between the "V" coordinates of each of the Rate Centers. Obtain the difference between the "H" coordinates.
- Step 3 - Square the differences obtained in Step 2.
- Step 4 - Add the squares of the "V" difference and "H" difference obtained in Step 3.
- Step 5 - Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.
- Step 6 - Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating points of the call.

Formula:

$$\sqrt{\frac{(V_1 - V_2)^2 + (H_1 - H_2)^2}{10}}$$

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.4 Time-of-Day Rate Periods**

Unless otherwise indicated elsewhere in this tariff, all usage-based rates in this tariff are subject to the following time-of-day, day-of-week, and holiday rate periods:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 AM TO 5:00 PM*	DAYTIME RATE PERIOD					EVE	
5:00 PM TO 11:00 PM*	EVENING RATE PERIOD						
11:00 PM TO 8:00 AM*	NIGHT/WEEKEND RATE PERIOD						

\* to, but not including

For services subject to holiday discounts, the Evening Rate Period rates apply on the following Company recognized holidays, unless a lower rate would normally apply:

New Year's Day	January 1
Memorial Day	As Federally Observed
Independence Day	July 4
Thanksgiving Day	As Federally Observed
Christmas Day	December 25

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.5 Schedule A**

This long distance service applies to customers who access Talk.com via local exchange company provided switched access. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds. In addition to the applicable usage charges, calls placed using Travel Card access also incur a fixed service charge per completed call.

**MAXIMUM RATES**

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period
All	0.1356	0.0452	0.0948	0.0316	0.0948	0.0316

Travel Card Charge Per Call:        \$0.90

**3.6 Schedule B**

This long distance service applies to customers who access Talk.com via dedicated special access channels. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

**MAXIMUM RATES**

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period	Initial Period	Ea.Addl. Period
All	0.0966	0.0322	0.0672	0.0224	0.0672	0.0224

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.7 Switched Inbound Service**

Switched Toll-Free Service provides an in-bound calling service to Talk.com Customers. The Talk.com Customer is billed for each toll-free (i.e., 800/888) call, rather than the call originator. Calls terminate to the Talk.com Customer via switched access lines. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

**Rates:**

	<u>Rate Per Hour of Use</u>
	<b>MAXIMUM</b>
Day	\$33.00
Evening	\$33.00
Night/Weekend	\$33.00

**3.8 Dedicated Inbound Service**

Dedicated Toll-Free Service provides an in-bound customer provided calling service to Talk.com Customers. The Talk.com Customer is billed for each toll-free (i.e., 800/888) call, rather than the call originator. Calls terminate to the Talk.com Customer via customer-provided dedicated access lines. For billing purposes, call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

	<u>Rate Per Hour of Use</u>
	<b>MAXIMUM</b>
Day	\$19.00
Evening	\$15.00
Night/Weekend	\$13.00

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.9 Non-Subscriber Calling**

Per Minute Usage Charges are based on airline mileage as calculated using the formula found in Section 3.3 of this tariff. All calls are rounded to the next higher full minute with a minimum billing of one minute per call.

**MAXIMUM Per Minute Rates:**

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute
1-10	0.4800	0.2200	0.3120	0.1430	0.2400	0.1100
11-22	0.6800	0.3200	0.4420	0.2080	0.3400	0.1600
23-55	0.7000	0.4000	0.4870	0.2730	0.3900	0.2100
56-124	0.8200	0.5000	0.5610	0.3310	0.4600	0.2700
125-292	0.8400	0.5400	0.5900	0.3700	0.4700	0.3000
293+	0.8600	0.6000	0.6360	0.3960	0.5200	0.3200

Non-subscriber Charge, per Call: \$3.60

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.10 ISP or AOL Long Distance Savings Plan**

ISP/AOL Long Distance Savings Plan (ISP/AOL LDSP) is offered to Customers who subscribe to service through a participating Internet Service Provider (ISP). The participating ISP must have a previously established on-line service participation partnership agreement with the Company. The Customer is billed for each call placed using ISP/AOL LDSP. Each call is billed in one minute increments. The minimum call duration for billing purposes is one minute. The Customer has access to call detail and billing records only on-line through the participating ISP and billing is handled through commercial credit card payment arrangements through the ISP. No minimum usage charges apply to this service. A monthly recurring charge applies for each toll-free number assigned. Optional Travel Service is also available. Travel Service is accessed via a toll-free number provided by the Company. Fractional charges are rounded up to the next highest penny on a per call basis.

	Maximum	
	<u>InterLATA</u>	<u>IntraLATA</u>
ISP/AOL LDSP Outbound (1+) Rate Per Minute:	\$0.30	\$0.12
ISP/AOL LDSP Inbound (toll-free)Rate Per Minute:	\$0.30	\$0.30
Travel Card Rate Per Minute:	\$0.30	\$0.30
Travel Card Charge Per Call:	\$0.60	\$0.60
Monthly Recurring Charge, per toll-free number:	\$10.00	

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.11 TALK.com Plan 1**

TALK.com Plan 1 is offered to Business Customers for outbound and toll-free inbound calling from/to presubscribed switched lines. The account may be used for interstate, international or intrastate calling. Travel Card service is offered in conjunction with TALK.com Plan 1. A per call service charge applies to each completed Travel Card call.

Service is initiated through a qualified TALK.com sales agent. Charges are billed via a valid commercial credit card. Call detail and billing records are available on-line via the TALK.com web site.

The usage rate for each call is determined by the minimum monthly usage level selected by the Customer. When the Customer's total billing in any monthly billing cycle falls below the selected minimum monthly usage level, the minimum monthly usage fee applies instead of the actual usage charges. Interstate, outbound and inbound (toll-free), international and intrastate outbound and inbound (toll-free) and Travel Card usage, Travel Card per call service charges, and monthly recurring charges apply toward meeting the minimum monthly usage commitment. A term commitment of six (6) months applies to the minimum monthly usage level of \$150.

Calls are billed in six (6) second increments after an initial minimum call duration of thirty (30) seconds. Fractional call charges are rounded up to the next penny.

**3.11.1 Early Termination Penalty**

When the Customer elects a \$150 minimum monthly usage level that requires a six (6) month term commitment and cancels service prior to fulfillment of the term commitment, a term penalty is immediately applied to the Customer's bill. The term penalty is a one-time charge equal to the minimum monthly usage commitment level multiplied by the number of months remaining in the term.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.11 TALK.com Plan 1, (Cont'd.)**

**3.11.2 Usage Charges**

Minimum Monthly Usage	Maximum Per Minute Intrastate
\$50.00	\$0.342
\$100.00	\$0.342
\$150.00	\$0.342

**3.11.3 Travel Card Service**

Maximum per minute rate:	\$0.240
Maximum Per call service charge:	\$0.60

**3.12 TALK.com Plan 2**

TALK.com Plan 2 is offered to Residential Customers for outbound and toll-free inbound calling from/to presubscribed switched lines. The account may be used for interstate, international or intrastate calling. Travel Card service is offered in conjunction with TALK.com Plan 2 service. A per call service charge applies to each completed Travel Card service call.

Service is initiated via internet registration or through a qualified TALK.com sales agent. Charges are billed via a valid commercial credit card. Call detail and billing records are available on-line via the TALK.com web site.

Calls are billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Fractional call charges are rounded up to the next penny.

Rates for this service are the same as the rates that are found in Section 3.10 of this tariff.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (CONT'D.)**

**3.13 Directory Assistance**

Directory Assistance is available to Customers of The Phone Company SDN Long Distance Service. A Directory Assistance charge applies to each call to the Directory Assistance Bureau. A maximum of one request may be made on each call to Directory Assistance. The Directory Assistance charge applies to each call regardless of whether the Directory Assistance Bureau is able to furnish the requested telephone number.

Directory Assistance, Per Call: \$1.90

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**SECTION 4 - CURRENT PRICE LIST**

**4.1 Schedule A - Switched Access**

This long distance service applies to customers who access Talk.com via local exchange company provided switched access. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds. In addition to the applicable usage charges, calls placed using Travel Card access also incur a fixed service charge per completed call.

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period
All	0.0678	0.0226	0.0474	0.0158	0.0474	0.0158

Travel Card Charge Per Call: \$0.75

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**SECTION 4 - CURRENT PRICE LIST, (CONT'D)**

**4.2 Schedule B - Dedicated Access**

This long distance service applies to customers who access Talk.com via dedicated special access channels. For billing purposes call timing is rounded up to the nearest six (6) second increment after the initial minimum period of eighteen (18) seconds.

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period	Initial Period	Ea.Addl Period
All	0.0483	0.0161	0.0336	0.0112	0.0336	0.0112

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**SECTION 4 - CURRENT PRICE LIST, (CONT'D.)**

**4.3 Switched Inbound**

Rate Per Hour of Use

**CURRENT**

Day	\$16.20
Evening	\$16.20
Night/Weekend	\$16.20

**4.4 Dedicated Inbound**

Rate Per Hour of Use

**CURRENT**

Day	\$9.42
Evening	\$7.86
Night/Weekend	\$6.57

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**SECTION 4 - CURRENT PRICE LIST, (CONT'D.)**

**4.5 Non-Subscriber Calling**

Per Minute Usage Charges are based on airline mileage as calculated using the formula found in Section 3.3 of this tariff. All calls are rounded to the next higher full minute with a minimum billing of one minute per call.

Mileage Band	DAY		EVENING		NIGHT/WEEKEND	
	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute	1st Minute	Ea.Addl Minute
1-10	0.2400	0.1100	0.1560	0.0715	0.1200	0.0550
11-22	0.3400	0.1600	0.2210	0.1040	0.1700	0.0800
23-55	0.3500	0.2000	0.2435	0.1365	0.1950	0.1050
56-124	0.4100	0.2500	0.2805	0.1655	0.2300	0.1350
125-292	0.4200	0.2700	0.2950	0.1850	0.2350	0.1500
293+	0.4300	0.3000	0.3180	0.1980	0.2600	0.1600

Non-subscriber Charge, per Call: \$1.80

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**SECTION 4 - CURRENT PRICE LIST, (CONT'D.)**

**4.6 ISP or Long Distance Savings Plan**

	<u>InterLATA</u>	<u>IntraLATA</u>
ISP/AOL LDSP Outbound (1+) Rate Per Minute:	\$0.15	\$0.089
ISP/AOL LDSP Inbound (toll-free) Rate Per Minute:	\$0.15	\$0.15
Travel Card Rate Per Minute:	\$0.15	\$0.15
Travel Card Charge Per Call:	\$0.75	\$0.75
Monthly Recurring Charge, per toll-free number	\$5.00	

**4.7 TALK.com Plan 1 Rates**

**4.7.1 Usage Charges**

	Per Minute
Minimum Monthly Usage	Intrastate
\$50.00	\$0.171
\$100.00	\$0.171
\$150.00	\$0.171

**4.7.2 Travel Card Service**

Per minute rate:	\$0.120
Per call service charge:	\$0.75

**4.8 TALK.com Plan 2 Rates**

Rates for this service are the same as the rates that are found in Section 4.6 of this tariff.

**4.9 Directory Assistance**

Directory Assistance, Per Call:	\$0.95
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**TALK.COM HOLDING CORP.**

Attachment C

Network Diagram

Talk.com Holding Corp. will resell the services of MCI WorldCom.

**TALK.COM HOLDING CORP.**

Attachment D

Financials

TALK.COM Inc. and Subsidiaries  
 Balance Sheet  
 December 31, 1999 and December 31, 1998  
 (Unaudited)

ASSETS	12/31/99	12/31/98
Current assets		
Cash and cash equivalents	78,937,276	3,062,651
Marketable securities	0	89,649,118
Accounts receivable, trade	59,501,121	46,586,777
Partition advances and note receivables	3,599,691	1,869,610
Prepaid expenses and other current assets	<u>8,854,522</u>	<u>8,600,364</u>
Total current assets	150,892,610	149,768,519
Furniture and equipment, net	57,334,848	56,702,944
Intangibles	1,068,000	1,150,000
Other assets	<u>5,712,453</u>	<u>64,938,048</u>
Total assets	<u>215,007,912</u>	<u>272,559,511</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Margin account indebtedness	0	49,620,975
Accounts payable and accrued expenses:		
Trade	47,965,014	64,793,753
Partitions	1,676,271	4,379,550
Sales, use and excise taxes	7,851,843	6,880,265
Interest & Other	6,275,543	11,033,133
Total current liabilities	63,768,671	136,707,677
Convertible bonds	84,985,000	242,387,000
Deferred revenue	21,000,000	28,400,000
Other liabilities	<u>0</u>	<u>1,850,000</u>
Total liabilities	<u>169,753,671</u>	<u>409,344,677</u>
Commitments and contingent liabilities		
Contingent redemption value of common stock	<u>5,151,715</u>	<u>0</u>
Stockholders' equity		
Common stock	669,729	669,346
Additional paid-in capital	208,453,014	265,324,970
Treasury stock	(29,719,937)	(184,550,000)
Retained earnings	<u>(139,300,280)</u>	<u>(218,229,481)</u>
Total stockholders' equity	<u>40,102,526</u>	<u>(136,785,165)</u>
Total liabilities and stockholders' equity	<u>215,007,912</u>	<u>272,559,511</u>

TALK.com Inc. and Subsidiaries  
 Statements of Operations  
 Year Ended December 31, 1999 and 1998  
 (Unaudited)

	Year Ended 12/31/99	Year Ended 12/31/98	Difference	% Change
Sales	516,548,453	448,600,210	67,948,243	15.1%
Cost of sales	320,751,106	361,957,280	(41,206,174)	-11.4%
Gross profit	195,797,348	86,642,930	109,154,418	126.0%
Gross profit margin	37.9%	19.3%		
General & administrative	42,696,386	41,939,214	757,172	1.8%
Marketing & advertising	96,263,578	210,552,294	(114,288,716)	-54.3%
Significant other charges	(2,717,956)	91,024,935	(93,742,891)	-103.0%
Operating income	59,555,339	(256,873,513)	316,428,852	-123.2%
Operating margin	11.5%	-57.3%		
Investment and other income, net	(1,855,815)	(11,174,852)	9,319,037	-83.4%
Income before taxes	57,699,525	(268,048,365)	325,747,890	-121.5%
Pre-tax margin	11.2%	-59.8%		
Provision for income taxes	0	40,388,281	(40,388,281)	-100.0%
Income before extraordinary gain	57,699,525	(308,436,646)	366,136,171	-118.7%
Extraordinary gain	21,229,676	87,110,210	(65,880,534)	-75.6%
Net income	78,929,201	(221,326,436)	300,255,637	-135.7%
Basic Weighted-Average Shares	61,187,066	59,282,634	1,904,432	3.2%
Basic Earnings Per Share:				
Income before extraordinary gain	0.94	(5.20)	6.15	-118.1%
Extraordinary gain	0.35	1.47	(1.12)	-76.4%
Net income	1.29	(3.73)	5.02	-134.6%
Diluted Weighted-Average Shares	64,414,505	59,282,634	5,131,871	8.7%
Diluted Earnings Per Share:				
Income before extraordinary gain	0.90	(5.20)	6.10	-117.2%
Extraordinary gain	0.33	1.47	(1.14)	-77.6%
Net income	1.23	(3.73)	4.96	-132.8%

TALK.com Inc.  
Statement of Cash Flows  
Year Ended December 31, 1999 and December 31, 1999  
(Unaudited)  
(\$ in thousands)

	Year Ended 12/31/99	Year Ended 12/31/98
Net Income	78,929	(221,326)
Provisions for bad debts	3,480	(235)
Depreciation and amortization	5,956	5,499
Vested AOL warrants and amortization of prepaid AOL marketing		71,665
Charge for customer acquisition costs		55,034
Deferred revenue	(7,400)	(7,400)
Compensation charges		8,402
Income tax benefit related to options and warrants		40,388
Extraordinary gain	(21,230)	(87,110)
Accounts receivable, trade	(16,256)	(1,250)
Advances to partitions	(1,730)	24,241
Prepaid expenses	(254)	(23,712)
Other assets	2,215	(49,127)
A/P and accrued expenses	(23,457)	56,419
Other liabilities	(1,850)	(1,302)
Net cash provided by (used in) - Operating	<u>18,403</u>	<u>(129,814)</u>
Capital expenditures	(6,506)	(16,928)
Acquisition of intangibles		(285)
Acquisition of Symetrics Industries, Inc.		(26,707)
Securities sold short		(21,087)
Due from broker		21,087
Sale of marketable securities	89,649	122,620
Net cash provided by - Investing	<u>83,143</u>	<u>78,700</u>
Repayment of margin debt	(49,621)	
Proceeds from margin account indebtedness		49,621
Acquisition of convertible debt	(72,304)	(86,301)
Proceeds from stock options	48,287	15,489
AOL investment	55,000	
Acquisition of treasury stock	(7,686)	(239,892)
Retirement of common stock		(1,470)
Proceeds from rights exercised	652	
Net cash provided by (used in) - Financing	<u>(25,672)</u>	<u>(262,553)</u>
Net increase (decrease) in cash	75,874	(313,667)
Beginning cash	<u>3,063</u>	<u>316,730</u>
Ending cash	<u>78,937</u>	<u>3,063</u>